Economy booster measures

2806. SHRIMATI T. RATNA BAI: Will the Minister of FINANCE be pleased to state:

(a) whether Indian economy is resilient and will strengthen further;

(b) if so, the details thereof; and

(c) the measures taken during the Eleventh Five Year Plan in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) As per the quarterly data released by the Central Statistical Organisation (CSO) on November 30, 2009, real gross domestic product (GDP) grew by 7.9 per cent in the second quarter (Q2) of 2009-10 over a base level of growth of 7.7 per cent in Q2 of 2008-09. Following levels of real GDP growth of 5.8 per cent and 6.1 per cent respectively in the fourth quarter of 2008-09 and first quarter of the current financial year, the level of growth in Q2 of 2009-10 indicates a faster recovery. Growth was driven by both services and industries in the second quarter of 2009-10. For the first half of 2009-10, the real GDP growth has been placed at 7.0 per cent as against a level of 7.8 per cent in the first half of 2008-09. As part of the expansionary fiscal stance to boost demand, expenditure on plan schemes increased from a level of 4.3 per cent of GDP in 2007-08 to 5.2 per cent of GDP and 5.6 per cent of GDP respectively in 2008-09 (Provisional Actuals) and 2009-10 (Budget Estimates).

Development of State Highways in Karnataka

2807. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) the projects proposed by the State Government of Karnataka for the development of State Highways on Public- Private-Partnership (PPP) basis for which the Centre has been requested to bear 20 per cent costs under Validation Gap Funding Scheme of the Centre; and

(b) the action so far taken by the Centre on the proposals and by when a final decision is likely to be taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) Under the Scheme for Financial Support of PPPs in Infrastructure to provide Viability Gap Funding (VGF), till September, 2009, the following proposals were received from Government of Karnataka, in the Ministry of Finance for 'in principle' approval for grant of VGF upto 20 per cent of the Total Project Cost.

1. Improvement of Chikkanayakanahalli-Tiptur Hassan Road

2. Improvement to Dharwad-Ramnagara Road

3. Improvement to Waghari-Ribbanapally Road

(b) The above proposals were initially granted 'in principle' approval in the twelfth meeting of the Empowered Institution held on March 5, 2008. The State Government enhanced the Total Project cost for the above projects and 'in principle' approval for enhancement of Total

Project cost and VGF was approved in the 18th Meeting of the Empowered Institution held on July 2, 2009. The 'in principle' approval was granted for Viability Gap Funding for above projects amounting to Rs. 45.16 crore; Rs.47.52 crores; and Rs 49.10 crores respectively.

Relief packages for employment generation

†2808. SHRI RAJIV PRATAP RUDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that benefits of relief packages provided for employment generation by Government in times of recession, did not reach smaller towns;

(b) if so, the details thereof;

(c) whether Government is planning to further continue the relief packages; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) To obviate the negative impact of the global economic events on the Indian economy in 2008-09, a number of steps were taken, which included monetary measures of the RBI and the expansionary fiscal policy of the Government, besides the enhancement in outlays to the National Employment Guarantee Scheme (NREGS). These were supplemented by sector specific credit measures for exports, housing micro and small enterprises and infrastructure. Specific information on the impact of relief packages provided for employment generation on smaller towns is not available. As the measures announced by Reserve Bank of India and fiscal initiatives of Government encompass several sectors with different timelines for impact, precise assessment of the impact of these measures is difficult. However, as per the latest Report on effect of slowdown on employment in India based upon quick employment survey carried out by Labour Bureau under the Ministry of Labour and Employment on 2873 units covering 21 centres spread across eleven States/UTs, the employment has increased by about 5 lakhs during July-September, 2009 over June, 2009. All sectors excluding leather out of the eight major sectors surveyed *viz.* textiles, leather, metal, automobiles, gems and jewellery, transport, IT/BPO and handloom/powerloom have registered an increase in employment during this period. During the previous quarter of April-June, 2009 the employment had declined by 1.31 lakhs.

(c) and (d) While changes in the monetary policy are taken by the Reserve Bank of India depending on the emerging situation, the Government has already indicated that the fiscal stimulus measures would continue during the current fiscal 2009-10. However, calibrating policies with due regard to emerging economic situation is a continuous process.

Cutting subsidies on fertilizer and petroleum products

2809. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.